

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**I. Description of Operations Financed:**

This sub-activity group provides resources for all aspects of ship operations required to continuously deploy combat ready warships and supporting forces in support of national objectives. Programs supported include operating tempo (OPTEMPO), fleet and unit training, operational support such as command and control, pier side support and port services, organizational maintenance, and associated administrative & other support. Costs consist of distillate fuel to support OPTEMPO goals of 51 underway days per quarter for deployed Fleet forces and 24 underway days per quarter for non-deployed forces, organizational level repairs, supplies and equipage (S&E), utilities costs, TAD for shipboard and afloat staff personnel, nuclear propulsion fuel consumption and processing costs, and charter of leaseback units through the Military Sealift Command (MSC).

**II. Force Structure Summary:**

In FY 2003, funding provides for 12 aircraft carriers, 98 surface combatants, 36 amphibious ships, 54 nuclear attack submarines, 18 ballistic missile submarines four of which are being converted to guided missile submarines, 34 combat logistics ships, 11 mine warfare ships, 19 support ships, and 13 patrol coastals. In FY 2004, funding provided for 12 aircraft carriers, 94 surface combatants, 35 amphibious ships, 54 nuclear attack submarines, 18 missile submarines, 34 combat logistics ships, 11 mine warfare ships, 19 support ships, and 13 patrol coastals. In FY 2005, funding provided for 12 aircraft carriers, 91 surface combatants, 36 amphibious ships, 55 nuclear attack submarines, 18 missile submarines, 33 combat logistics ships, 11 mine warfare ships, 19 support ships, and 8 patrol coastals.

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**III. Financial Summary (\$ in Thousands):**

**A. Sub-Activity Group Total**

			FY 2004		
	FY 2003	Budget		Current	FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
	3,254,233	2,485,605	2,425,921	2,430,690	2,604,963

**B. Reconciliation Summary**

	<b>Change</b>	<b>Change</b>
	<b><u>FY 2004/2004</u></b>	<b><u>FY 2004/2005</u></b>
Baseline Funding	2,485,605	2,430,690
Congressional Adjustments - Distributed	3,500	0
Congressional Adjustments - Undistributed	-39,378	0
Adjustments to Meet Congressional Intent	-3,500	0
Congressional Adjustments - General Provisions	-20,306	0
Subtotal Appropriation Amount	2,425,921	0
Emergency Supplemental Carryover	0	0
FY04 Emergency Supplemental Appropriations Act (P.L. 108-106)	154,700	0
Program Changes (Current Year to Current Year)	4,769	0
Subtotal Baseline Funding	2,585,390	0
Reprogrammings	0	0
Price Change	0	102,722
Functional Transfers	0	-68,905
Program Changes	0	140,456
Less Emergency Supplemental Funding	-154,700	0
Normalized Current Estimate	2,430,690	0
Current Estimate	0	2,604,963

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**C. Reconciliation of Increases and Decreases**

<b>1. FY 2004 President Budget Request.</b>		<b>2,485,605</b>
<b>2. Congressional Adjustment (Distributed).</b>		<b>3,500</b>
a) Marine Gas Turbine Engine	3,500	
<b>3. Congressional Adjustment (Undistributed).</b>		<b>-39,378</b>
a) Unobligated Balances	-18,775	
b) Southwest Asia Contingency Operations	-20,603	
<b>4. Adjustment to meet Congressional Intent.</b>		<b>-3,500</b>
a) Marine Gas Turbine	-3,500	
<b>5. Congressional Adjustment (General Provision).</b>		<b>-20,306</b>
a) Sec. 8101: Reduce IT Development Cost Growth	-1,024	
b) Section 8094: Management Improvements	-7,433	
c) Sec. 8126: Efficiencies/Revised Economic Assumptions	-11,849	
<b>6. FY 2004 Appropriated Amount.</b>		<b>2,425,921</b>
<b>7. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106).</b>		<b>154,700</b>
a) Supplemental funding for steaming hours in support of contingency operations.	154,700	
<b>8. Program Increases FY 2004 (Technical Adjustments).</b>		<b>15,648</b>
a) Realignment of Military Sealift Command ship charter funding from BA1, Base Support (BSS1), for proper program execution.	15,648	
<b>9. Program Increases FY 2004 (Emergent Requirements).</b>		<b>39,546</b>
a) Increase in repair parts and consumables based on refinement of ship ops requirement. Requirements are generated using three years of certified obligation data, and the current estimate is based on requirements adjusted for FY03 execution experience.	39,546	
<b>10. Program Decreases FY 2004 (Emergent Requirements).</b>		<b>-50,425</b>
a) Decrease reflects a reduction in ship operating requirements as prescribed by the Fleet Response Plan (FRP).	-50,425	
<b>11. Baseline Funding (subtotal).</b>		<b>2,585,390</b>
<b>12. Revised FY 2004 Current Estimate.</b>		<b>2,585,390</b>
<b>13. Less: Emergency Supplemental Funding.</b>		<b>-154,700</b>
a) Removal of supplemental funding from the baseline.	-154,700	

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

<b>14. Normalized Current Estimate for FY 2004.</b>		<b>2,430,690</b>
<b>15. FY 2005 Price Change.</b>		<b>87,721</b>
<b>16. FY 2005 Transfers Out.</b>		<b>-68,905</b>
a) Realignment of Battle Group Systems Integration Test (BGSIT) to Combat Support Forces (1C6C) for proper program execution.	-1,940	
b) Realignment of civilian billets not in direct support of ship operations to Combat Support Forces (1C6C) for proper program execution.	-2,910	
c) Realignment of shore-based headquarters staff to Combat Support Forces (1C6C) for proper program execution.	-5,950	
d) Transfer of Navy/Marine Corps Intranet funding from readiness accounts to Combat Support Forces (1C6C).	-58,105	
<b>17. Annualization of New FY 2004 Program.</b>		<b>41,855</b>
a) Increase of 340 steaming days for USNS Bridge.	41,855	
<b>18. Program Growth in FY 2005.</b>		<b>106,046</b>
a) Activation costs and habitability modifications for USNS Santa Barbara.	35,288	
b) Activation costs and habitability modifications for USNS Humphries.	32,870	
c) Increase in nuclear fuel depreciation costs paid to Department of Energy.	32,034	
d) Increase in operating status for USNS Kilauea from ROS-45 to ROS-15.	5,854	
<b>19. New FY 2005 Program.</b>		<b>14,568</b>
a) Activation and 137 days of steaming costs for USNS Lewis and Clarke.	14,568	
<b>20. Program Decrease in FY 2005.</b>		<b>-7,012</b>
a) Decrease in MSC ship charter costs for one less steaming day in FY05.	-2,629	
b) Decrease in fuel and utilities resulting from a slight reduction in operating months based on deployment schedules, partially offset by an increase in repair parts required to maintain a higher level of overall readiness.	-4,383	
<b>21. FY 2005 Budget Request.</b>		<b>2,604,963</b>

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**IV. Performance Criteria and Evaluation Summary :**

	PY Budgeted	PY Actual	CY	BY1
Ship Years Supported	264	266	256	245
Optempo (Days Underway Per Quarter)				
Deployed	54	67.3	51	51
Non-Deployed	28	29.3	24	24
Ship Operating Months Supported				
Deployed	N/A	726	566	607
Non-Deployed	N/A	1,696	1,284	1,125
Ship Steaming Days Per Quarter				
Deployed	N/A	14,854	9,421	10,070
Non-Deployed	N/A	12,155	10,340	9,076
Underway Steaming Hours (000)				
Deployed	N/A	337,231	207,926	217,023
Non-Deployed	N/A	244,988	215,292	190,876
Barrels of Fossil Fuel Required (000)	12,756	16,982	11,441	11,185
Nuclear Material Consumption (\$000)	7,797	10,681	8,907	8,714
MSC Charter Inventory	37	34	34	33
Per Diem Days Chartered				
Full Operating Status	12,113	12,474	12,835	12,912
Reduced Operating Status	1,095	731	732	1,460

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**V. Personnel Summary :**

	<b>FY 2003 ES</b>	<b>FY 2004 ES</b>	<b>Change FY 2004 to FY 2005</b>	<b>FY 2005 ES</b>
<b>End Strength</b>				
Direct Hire, U.S.	94	117	-47	70
Direct Hire, Foreign National	0	5	-5	0
Indirect Hire, Foreign National	20	20	-20	0
TOTAL CIVPERS	114	142	-72	70
Active Military				
Officers	11,728	9,963	-73	9,890
Enlisted	114,425	112,509	-3,208	109,301
Reservists on Full-Time Active Duty				
Officers	185	181	7	188
Enlisted	1,054	1,041	1	1,042
TOTAL MILPERS	127,392	123,694	-3,273	120,421

	<b>FY 2003 WY</b>	<b>FY 2004 WY</b>	<b>Change FY 2004 to FY 2005</b>	<b>FY 2005 WY</b>
<b>Workyears</b>				
Direct Hire, U.S.	101	114	-46	68
Direct Hire, Foreign National	5	5	-5	0
Indirect Hire, Foreign National	20	20	-20	0
TOTAL CIVPERS	126	139	-71	68
Active Military				
Officers	11,499	10,845	-919	9,926
Enlisted	116,726	113,467	-2,562	110,905
Reservists on Full-Time Active Duty				

Department of the Navy  
 Operation and Maintenance, Navy  
 1B1B Mission and Other Ship Operations  
 FY 2005 President's Budget Submission  
 Exhibit OP-5

Officers	162	182	2	184
Enlisted	1,153	1,047	-6	1,041
TOTAL MILPERS	129,540	125,541	-3,485	122,056

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**VI. Summary of Price and Program Growth (OP-32):**

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
1B1B							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	7,113	261	739	8,113	109	-3,495	4,727
0103 Wage Board	103	5	-1	107	1	0	108
0104 Foreign Nat'l Direct Hire (FNDH)	186	25	28	239	1	-162	78
0105 FNDH Separation Liability	19	1	1	21	1	2	24
0107 Civ Voluntary Separation & Incentive Pay	145	1	-146	0	0	0	0
TOTAL 01 Civilian Personnel Compensation	7,566	293	621	8,480	112	-3,655	4,937
03 Travel							
0308 Travel of Persons	59,646	776	-25,657	34,765	487	-1,871	33,381
TOTAL 03 Travel	59,646	776	-25,657	34,765	487	-1,871	33,381
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	516,417	19,148	-129,461	406,104	34,988	-10,678	430,414
0411 Army Managed Purchases	2	1	-2	1	0	0	1
0412 Navy Managed Purchases	102,695	4,986	-41,573	66,108	36	2,339	68,483
0415 DLA Managed Purchases	296,326	-8,594	-116,268	171,464	1,545	6,144	179,153
0416 GSA Managed Supplies and Materials	75,177	978	-34,921	41,234	577	2,921	44,732
TOTAL 04 WCF Supplies & Materials Purchases	990,617	16,519	-322,225	684,911	37,146	726	722,783



Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**VI. Summary of Price and Program Growth (OP-32):**

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	237,374	11,860	-84,086	165,148	64	13,035	178,247
0506 DLA WCF Equipment	136,409	-3,955	-48,211	84,243	759	-5,589	79,413
0507 GSA Managed Equipment	119,921	1,558	-42,394	79,085	1,108	-6,053	74,140
TOTAL 05 STOCK FUND EQUIPMENT	493,704	9,463	-174,691	328,476	1,931	1,393	331,800
06 Other WCF Purchases (Excl Transportation)							
0611 Naval Surface Warfare Center	339	2	-6	335	5	20	360
0612 Naval Undersea Warfare Center	458	2	0	460	12	0	472
0614 Spawar Systems Center	1,776	32	-1,071	737	11	172	920
0615 Navy Information Services	689	0	-307	382	0	65	447
0620 Military Sealift Cmd - Fleet Aux Ships	991,949	30,552	-169,719	852,782	45,090	127,806	1,025,678
0633 Defense Publication & Printing Service	1,302	-25	-387	890	29	54	973
0634 Naval Public Works Ctr (Utilities)	164,895	-20,179	2,239	146,955	-1,391	-3,356	142,208
0635 Naval Public Works Ctr (Other)	7,516	105	-1,494	6,127	64	1,224	7,415
0637 Naval Shipyards	95	-3	127	219	28	28	275
0671 Communications Services	976	0	322	1,298	-13	330	1,615
0673 Defense Finance and Accounting Service	395	56	-451	0	0	0	0
0679 Cost Reimbursable Purchases	870	11	5,340	6,221	87	54	6,362
TOTAL 06 Other WCF Purchases (Excl Transportation)	1,171,260	10,553	-165,407	1,016,406	43,922	126,397	1,186,725

Department of the Navy  
Operation and Maintenance, Navy  
1B1B Mission and Other Ship Operations  
FY 2005 President's Budget Submission  
Exhibit OP-5

**VI. Summary of Price and Program Growth (OP-32):**

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
07 Transportation							
0705 AMC Channel Cargo	4,352	75	-2,617	1,810	33	284	2,127
0771 Commercial Transportation	11,205	146	-9,029	2,322	33	425	2,780
TOTAL 07 Transportation	15,557	221	-11,646	4,132	66	709	4,907
09 OTHER PURCHASES							
0901 Foreign Nat'l Indirect Hire (FNIH)	0	4	52	56	0	-1	55
0913 PURCH UTIL (Non WCF)	42,384	551	2,537	45,472	638	-2,185	43,925
0914 Purchased Communications (Non WCF)	26,448	344	-18,575	8,217	114	7,500	15,831
0915 Rents	2,565	33	-521	2,077	29	25	2,131
0917 Postal Services (USPS)	438	6	-50	394	6	-33	367
0920 Supplies & Materials (Non WCF)	128,048	1,663	-91,957	37,754	529	3,742	42,025
0921 Printing and Reproduction	2,655	34	-1,419	1,270	16	112	1,398
0922 Equip Maintenance by Contract	5,483	71	-2,524	3,030	43	446	3,519
0923 FAC maint by contract	1,307	16	-466	857	12	-510	359
0925 Equipment Purchases	14,499	189	4,081	18,769	89	-17,058	1,800
0926 Other Overseas Purchases	20,417	266	-6,769	13,914	195	114	14,223
0928 Ship Maintenance by Contract	30	0	-30	0	0	0	0
0937 Locally Purchased Fuel (Non-WCF)	228	42	-63	207	8	-35	180
0987 Other Intragovernmental Purchases	175,323	1,972	-935	176,360	1,764	-21,127	156,997
0989 Other Contracts	76,126	991	-46,900	30,217	405	-7,486	23,136
0998 Other Costs	19,932	260	-5,266	14,926	209	-651	14,484
TOTAL 09 OTHER PURCHASES	515,883	6,442	-168,805	353,520	4,057	-37,147	320,430
Total 1B1B Mission and Other Ship Operations	3,254,233	44,267	-867,810	2,430,690	87,721	86,552	2,604,963